



CONTRACTOR PAYS OVER \$3 MILLION TO RESOLVE CONTRACT BILLING ISSUES

Activity Date: December 19, 2022

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Case Number: MA-16-0110-O

Web Summary: OIG-WS-2023-307

Our investigation uncovered billing irregularities related to contracts on New York's Gateway Program rail infrastructure projects in the Northeast Corridor. Amtrak recovered approximately \$3 million from a contractor who charged overhead rates that exceeded maximum pay rates as proscribed by the Gateway project contracts, including approximately \$1.5 million pursuant to a civil settlement agreement filed in the U.S. District Court for the Eastern District of Pennsylvania and an additional approximately \$1.5 million directly from the contractor. The Gateway contracts required that the contractor bill actual overhead rates up to a not-to-exceed maximum allowed rate. From 2013 through 2020, however, the contractor billed overhead rates that exceeded the allowed rate.